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Saudi Ambassador to the U.S. Gives Interview
Speaks Out on Saudi-U.S. Relationship and Bilateral Investment

WASHINGTON (September 24, 2009) — An interview with Saudi Ambassador to the United States, Adel A. Al-Jubeir was released in the fall issue of U.S.-Arab TradeLine, a publication of the National U.S.-Arab Chamber of Commerce's (NUSACC). The discussion covered a series of topics including, the Saudi economy, U.S. investment in the Kingdom, and the Saudi-U.S. relationship.

The issue is dedicated to the Kingdom in honor of Saudi National Day and the inauguration of the King Abdullah University of Science and Technology (KAUST)—about which David Hamod, president and CEO of NUSACC, wrote in his monthly commentary: "More than a quarter century ago, Prince [now King] Abdullah bin Abdulaziz Al-Saud dreamt of an institution of higher learning in Saudi Arabia that could utilize science and technology to benefit humanity and bring the world closer together. Today, that dream has become a reality."

The interview with Ambassador Al-Jubeir highlighted the strength of the Saudi economy despite the current global economic instability. The discussion pointed to the significance of the International Monetary Fund's (IMF) recent public information notice praising the strength of the Saudi economy and Saudi Arabia's leadership role in stabilizing the world's oil markets.

Ambassador Al-Jubeir emphasized the importance of foreign investment and trade stating: "Saudi Arabia recognizes the importance of global trade and the need to be competitive. As such, there is a clear focus on revitalizing every aspect of the Saudi economy — including regulation which makes the Kingdom a friendly place to invest and do business, and efforts to provide Saudi citizens with the ability to compete in the global market place."

The following is the interview in its entirety:

The IMF recently praised Saudi Arabia for the strength of its economy and its leadership role in stabilizing the world oil markets. What factors and/or changes in the government's agenda account for this?

The Kingdom of Saudi Arabia seeks to pursue balanced and sustainable economic policies that promote investment, growth and job creation. If the Kingdom's development policies since the mid-1970s are examined, it is clear they have been practical, rational and effective in bringing about economic development.

The first and second five-year plans focused specifically on infrastructure development; the Kingdom needed airports, roads, hospitals, desalination plants, electrical plants, etc. Subsequent plans focused on developing industries and human resources. SABIC and other companies are now examples of the Kingdom's attempts to build industries that can use its energy resources as feedstock, providing it with a natural advantage to compete in the global market place.

With regard to energy, since the Kingdom possesses the world's largest proven oil reserves and is the largest exporter of oil, it has a responsibility to manage its energy policy in a manner that serves both producers and consumers by maintaining capacity and working to ensure stable prices. Saudi Arabia believes that high prices affect the global economy negatively by slowing down economic growth, and hurt producers in the long-run by slowing demand growth for oil. Low prices, on the other hand, hurt producing nations by reducing their income and, in the long-run, hurt consuming nations by encouraging consumption.

Saudi Arabia's history of managing its economic affairs, including energy, clearly shows a consistent and rational approach.

In 2004, Saudi Arabia announced the 10x10 program, which will make Saudi Arabia one of the world's 10 most competitive countries by 2010. How close is the Kingdom to this goal?

The Kingdom is very close. In fact, Saudi Arabia has been rated as the 13th most economically competitive country in the world according to the International Finance Corporation (IFC)-World Bank annual Doing Business report issued this month.

The World Bank has named Saudi Arabia a "systematic reformer" and ranked it number one in the Arab World in ease of doing business. What factors have led to this "ease", and has this had an impact on US direct investment in the Kingdom, especially regarding small-to-medium businesses?

Rational, sustainable and long-term policies. The Kingdom's leadership is committed to developing the country and providing its citizens with a high standard of living, a social safety net, and economic opportunity. It is also committed to free trade.

Saudi Arabia recognizes the importance of global trade and the need to be competitive. As such, there is a clear focus on revitalizing every aspect of the Saudi economy -- including regulation which makes the Kingdom a friendly place to invest and do business, and efforts to provide Saudi citizens with the ability to compete in the global market place. Over the past decade, new laws were introduced, the court system was restructured, taxation was eased on foreign investors, and investments were made in infrastructure, among other steps. The changes were comprehensive in nature, or what the World Bank referred to as "systemic."

Saudi Arabia and the United States have very strong and unique historic ties dating back to the 1930s. Are most Americans aware of this relationship? How has this relationship changed in the aftermath of 9/11?

I believe most Americans are aware of the importance of the bilateral relationship. But more can be done to educate them further. With regard to 9-11, it was a painful moment for us when it was discovered that most of the hijackers came from Saudi Arabia. We believe that Osama Bin Laden intentionally selected Saudis for this heinous crime to give the operation a Saudi face and to create doubts in the minds of Americans about the Kingdom. Would American attitudes towards the Kingdom at the time be the same if most hijackers were not Saudi? I doubt it.

After 9-11, the relationship – at the popular level – suffered, while at the official level both governments recognized Bin Laden's objective and committed to maintaining and strengthening the bilateral relationship. We both are the main targets for Al-Qaeda and we both work closely together to defeat it. And – God willing – we will.

When we look at the relationship today, our nations have very strong ties. In 2005, the Custodian of the Two Holy Mosques King Abdullah bin Abdulaziz and President George Bush established the Strategic Dialogue between our two nations to institutionalize the relationship. The Kingdom also initiated the "Custodian of the Two Holy Mosques Scholarship Program" to send Saudi students abroad for higher education. As a result, the number of Saudi students in the U.S. increased from a few thousand in 2005 to almost 20,000 today.

In other areas we see progress as well. Investments by American companies in the Kingdom are at record levels, as are Saudi investments in the U.S. So is the two-way traffic of travel by our citizens. For example, last year, more than 60,000 visas were issued to American citizens.

The number of Saudi military officers training in the U.S. has also increased substantially over the past few years, as have the number of joint exercises. Our countries also maintain several joint task forces to combat terrorism and terror finance.

Today, our countries face mutual challenges in the region, in the global economy and in the fight against terrorism, and their relationship has grown stronger as a consequence of their close cooperation.

Saudi Arabia has been a member of the World Trade Organization since 2005. Has this had an impact on its international standing?

Absolutely. We have seen foreign investment in the Kingdom increase substantially and we have seen markets open up for Saudi companies and products.

The Kingdom is building four economic cities across the country and launching KAUST in September. What opportunities does this open up to foreign investors?

The economic cities provide opportunities for infrastructure development and investment in industries and services.

KAUST will herald, God willing, a new era in higher education and scientific research in the Kingdom and in the world. The university is a scientific institution that is independent and international in outlook. It will have faculty, staff and students from around the globe. It has signed agreements with a number of distinguished international universities and research centers to collaborate on research projects and exchange knowledge. It will use science to improve life.

What are the best sectors for U.S. firms interested in Saudi Arabia?

The Kingdom believes in free trade and encourages investment by foreigners. It has the largest economy in the region, and is a member of the G-20. And it is one of the world's top places to invest. There are opportunities in virtually every area – construction, power generation, energy, petrochemicals, manufacturing, finance, insurance, and services, to name a few.

What are your priorities as the Saudi Ambassador to the United States?

To work on further enhancing the strong and historic ties between our two nations in all areas, without exception, and to look after the welfare of our citizens, whether they are students, medical patients, businessmen or tourists.

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